

**YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION
COMMUNITY DEVELOPMENT QUOTA
SECOND QUARTER REPORT
FOR THE PERIOD APRIL 1 – JUNE 30, 2004**

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I. QUARTERLY HIGHLIGHTS: April – June 2004

April 2004

- YDFDA Board of Directors Meeting by teleconference
- Engine Mechanic Internship completed with J. Kimberly Service in Anchorage
- HACCP Internship completed with Icicle Seafoods aboard the Discovery Star in Dutch Harbor
- Advanced Office Internship completed with Peter Pan Seafoods and Kwipak Fisheries in Seattle
- F/V Lisa Marie fishing for sablefish with 2 residents aboard
- Participated in a meeting with the CDQ State Oversight team
- Participated in the Foraker Operations Board meeting
- Traveled to the villages of Emmonak, Alakanuk, Nunam Iqua, Kotlik, Mountain Village, and Grayling to collect community input for the 2006-2008 CDP
- Participated in a teleconference with LYSD and AWP to discuss the progress of the Training Academy

May 2004

- YDFDA Board of Directors Meeting in Anchorage
- Facilitated a tour of the M/V Golden Alaska for students visiting Seattle from St. Mary's
- F/V Lisa Marie fishing for sablefish with 2 residents aboard
- Hosted a dinner for 15 youth from LYSD to promote the YDFDA Scholarship Program and training and employment opportunities
- Attended three Foraker Trainings ranging from Board Leadership to financial reporting
- Met with Alaska Growth Capital to discuss possible financing of a project in a village
- Participated in the RurALCAP Foundation Board meeting
- Discussed updates and logistics with LYSD and AWP for the Training Academy through a teleconference

June 2004

- Kwipak Fisheries buying king salmon on the Yukon River
- YDFDA Scholarship Committee meeting by teleconference
- Traveled to the villages of Emmonak, Alakanuk, and various fish camps of the area with Cynthia Nims and Scott Wellsandt as part of the Kwipak marketing efforts of the Yukon King

- Traveled to the villages of Emmonak, Nunam Iqua, St. Mary's, Grayling, Anvik, and various fish camps along the Lower Yukon river with the McDowell Group representatives for the cultural camp feasibility study
- M/V Lisa Marie fishing for sablefish with 2 residents aboard
- M/V Golden Alaska left for Pollock b Season with 15 residents aboard
- Participated in the promotional activities of Kwikpak Fisheries in Seattle through a public appearance at the Metropolitan Market and doing interviews with several newspapers including the Seattle Times, Seattle PI, and the New York Times
- Attended the Foraker Operations Board meeting
- Participated in AFN's Leadership Forum – CDQ Panel discussion

II. COMMUNITY DEVELOPMENT

A. PROGRESS TOWARD GOALS, OBJECTIVES, MILESTONES

PROPOSED FOR-PROFIT PROJECTS

ADDITIONAL INVESTMENT IN GOLDEN ALASKA

1. Provide a minimum return on investment of 8%.

No additional quota has been acquired; therefore there is no activity on this milestone.

2. Acquire additional mothership pollock quota.

We continue to investigate the opportunities available to add quota to the Golden Alaska.

3. Add at least one job on each catcher vessel and increase positions on Golden Alaska.

No additional quota has been acquired; therefore there is no activity on this milestone.

4. Increase the production and profitability of the original Golden Alaska investment.

No additional quota has been acquired; therefore there is no activity on this milestone.

CRAB/COD CATCHER PROCESSOR

5. Provide an 8% minimum return on investment.

See Confidential Issues.

6. Provide up to 12 positions for YDFDA residents.

See Confidential Issues.

7. Harvest CDQ and non-CDQ Pacific cod and crab.

See Confidential Issues.

8. Produce operating efficiencies from operating with C/P Baranof.

See Confidential Issues.

JOINT VENTURE CRAB VESSEL(S)

9. Provide an 8% minimum return on investment.

See Confidential Issues.

10. Provide 2-4 fishing positions for YDFDA residents.

See Confidential Issues.

JOINT VENTURE LONGLINE C/P VESSEL

11. Provide an investment return of a minimum of 8%.

See Confidential Issues.

12. Provide 2 – 4 crew member positions for YDFDA residents.

See Confidential Issues.

13. Assure long-term career employment for qualified Yukon Delta residents.

See Confidential Issues.

SHORESIDE POLLOCK INVESTMENT

14. Provide a minimum return on investment of 8%.

See Confidential Issues.

15. Provide jobs on each catcher vessel plus opportunity for jobs at shoreside plants.

See Confidential Issues.

16. Acquire additional non-CDQ pollock quota.

See Confidential Issues.

17. Diversify pollock investment to other sectors.

See Confidential Issues.

ACTIVE FOR-PROFIT PROJECTS

MAJOR FISH BUYER ON THE YUKON

18. Acquired assets of Yukon Delta Fish Marketing Co-op (YDFMC) through foreclosure. Assets consist of land and buildings at Emmonak. This has provided YDFDA subsidiary Kwipak Fisheries with waterfront facilities in Emmonak as a base of operations. Purchased salmon using YDFMC Co-op assets (barge) at Emmonak. YDFDA will further assess operations to determine the extent and type of investment in this processing facility. Kwipak Fisheries further developed the plan to integrate the Emmonak operations with the purchase of fish out of Kotlik and Mountain Village. A covered steel barge was purchased for use as a buying station. This barge was utilized at Mountain Village as a buying station to address concerns from residents of district Y2 of the Yukon regarding the lack of commercial markets. YDFDA continues to negotiate with the Co-op for the possible purchase of additional assets. YDFDA continues working to develop a domestic market for Yukon king salmon which would support a high end ex-vessel price to Yukon fishermen.

See Confidential Issues

INVESTMENT IN GASLLC, LLC

19. Provide ownership in M/V Golden Alaska on risk free basis.

Purchase of ownership in M/V Golden Alaska is financed through a non-recourse note that is payable from profits of the M/V Golden Alaska.

20. Arrange for harvest processing of CDQ Pollock at a competitive royalty.

See Financial Statements

21. Provide a minimum of 25 processor jobs on Golden Alaska during A Season.

24 Yukon Delta residents were aboard the Golden Alaska during the first quarter. 12 were first time trainees, 12 were returning crew. We are very proud of the fact that our entire crew of 24 stayed on the boat for the entire season.

22. Provide a minimum of 15 processor jobs on Golden Alaska during B Season.

15 Yukon Delta residents were aboard the Golden Alaska during the second quarter. 12 were first time trainees, 3 were returning crew.

23. Provide 1 – 2 jobs on non-YDFDA owned catcher vessels fishing for Golden Alaska.

1 resident was aboard the F/V Vanguard as a first time trainee during the first quarter. He did not work in the second quarter, but we are reporting wages earned in the first quarter below.

Crew shares earned to date: \$22,386.51

YDFDA Training wages to date: \$11,193.26

NOTE: Training wages are included in crew shares.

F/V LISA MARIE

24. Provide 2 – 3 permanent fishing positions for Yukon Delta residents.

4 Yukon Delta residents were aboard the F/V Lisa Marie during the first quarter. 3 were first time trainees, 1 was returning crew.

4 Yukon Delta residents were aboard the F/V LISA Marie during the second quarter. 2 were first time trainees, 2 were returning crew.

25. Provide Yukon Delta residents with long-term crew shares.

Crew shares earned to date: \$31,797.61

YDFDA Training wages to date: \$31,797.61

NOTE: Training wages are included in crew shares.

26 Return an annual profit of \$100,000.

The F/V Lisa Marie should exceed its annual profit goal with a profitable second half.

27. Harvest CDQ crab, halibut, sablefish and IFQ halibut and sablefish.

In the 1st and 2nd quarters the F/V Lisa Marie harvested CDQ opilio crab and IFQ and CDQ sablefish. At the end of the quarter it was preparing to fish Halibut quota.

INVESTMENT IN ALAKANUK BEAUTY, LLC & EMMONAK LEADER, LLC

28. Provide a minimum rate of return of 10% to YDFDA.

29. Provide 2 – 4 catcher vessel jobs for residents.

1 resident was aboard the F/V Ocean Leader as returning crew

1 resident was aboard the F/V American Beauty as returning crew

The crewman that has been an intern on the F/V American Beauty for the past few years has now been integrated into the regular crew rotation as a full time crewman with full crew share.

Crew shares earned to date: \$74,365.39

YDFDA Training wages to date: \$37,182.69

NOTE: Training wages are included in crew shares.

30. Harvest a portion of YDFDA's pollock CDQ

The F/V American Beauty and F/V Ocean Leader harvest approximately 40% of YDFDA's CDQ pollock quota.

31. Build long-term, non-CDQ access to Bering Sea resources.

The majority of the harvest and income for these vessels is derived from their catch history and the American Fisheries Act. Each has a long term history of approximately 6% of the offshore mothership quota and smaller amounts of shoreside Pollock.

ROMANZOF FISHERIES, LLC

32. Provide a minimum return on investment of 10%.

33. Provide up to 1-2 positions to YDFDA residents.

During the second quarter, YDFDA attempt to recruit people from both CDQ and non-CDQ villages. Applications were given to residents of St. Mary's and Pilot Station. We have found it difficult to find residents interested in non-pollock processing job opportunities.

34. Help ensure that 100% of CDQ Pacific cod, crab and sablefish are harvested.

The C/P Baranof harvested CDQ Pacific cod in the 2nd quarter.

35. Harvest non-CDQ Pacific cod, crab and sablefish.

In the 2nd quarter, the C/P Baranof fished for open access Pacific cod and IFQ sablefish in the Bering Sea and the Gulf of Alaska.

IFQ SHARE PURCHASES

36. Purchase sablefish and halibut IFQ shares.

YDFDA continues to look for opportunities to purchase additional IFQ shares. In the 2nd quarter we purchased 4A and 4D IFQ Halibut class "A" quota shares.

37. Provide additional royalty income to YDFDA which will provide a minimum of 6% return on investment.

F/V Lisa Marie fished IFQ sablefish in the 2nd quarter. See confidential section for financial information.

38. Provide increased fishing time and vessel profits to Lisa Marie and/or the C/P Baranof that in turn provides longer fishing time for residents.

F/V Lisa Marie fished IFQ sablefish in the 2nd quarter with 4 CDQ community residents onboard.

PROPOSED NON-PROFIT PROJECTS

CULTURAL TOURISM – FISH CAMP EXPERIENCE

39. Contact adventure tour and specialty tour companies like Alumni Association Tours. Seek advice and support from Alaska Wilderness Recreation and Tour Association. Complete marketing analysis (likely to be contracted out to consultant familiar with remote tour operations). Identify willing residents and support staff. Select fish camp sites. Develop a business plan that integrates marketing, accommodations, transportation and other cultural activities. Develop a web site. Provide training for staff and host families.

During the month of June, McDowell Group representatives visited the villages of Emmonak, Nunam Iqua, St. Mary's, Grayling, Anvik and various surrounding fish camps in the areas. The purpose of the on site visits was to familiarize themselves with the Yukon Delta area, its people, culture and the infrastructure capacities of each community. Their findings will be part of the feasibility study which is scheduled to be completed in September.

VESSEL SAFETY AND NAVIGATION

40. Provide Vessel Safety, First Aid and Navigation Training annually to 30 Yukon Delta residents.

Navigation course were held in Mtn. Village and Kotlik during the first quarter, arrangements were made to hold classes in Alakanuk, Emmonak and Nunam Iqua during the second quarter, however due to scheduling, the classes have been postponed until the third quarter.

41. On a bi-annual basis provide vessel safety re-certification for residents.

Due to AVTEC's schedule, no vessel safety re-certification classes were given during this quarter. To address this problem we have contacted Yukon Kuskokwim Health Center to provide these services which will occur in the third quarter.

SAFFRON COD TEST FISHERY

42. Obtain state waters experimental fishing permit. Harvest 500 pounds. Identify a market and send out samples.

Due to market analysis that showed it would not be profitable for fishermen to harvest saffron cod, YDFDA is exploring other species that may be more economical to harvest. Fishermen have been contracted requesting samples of various whitefish, clams, shrimp and snails for market analysis.

ACTIVE NON-PROFIT PROJECTS

COMPREHENSIVE JOBS

43. Place 85 Yukon Delta residents in jobs in offshore fisheries.

1st Quarter

24 residents were aboard the M/V Golden Alaska processing Pollock
1 resident was aboard the F/V American Beauty fishing for Pollock
1 resident was aboard the F/V Ocean Leader fishing for Pollock
1 resident was aboard the F/V Vanguard fishing for Pollock
4 residents were aboard the F/V Lisa Marie fishing for crab and sablefish
3 residents were aboard the F/T Seafreeze processing cod
2 residents worked at Westward Seafoods' shorebased facility processing crab

2nd Quarter

15 residents were aboard the M/V Golden Alaska processing Pollock
1 resident was aboard the F/V American Beauty fishing for Pollock
1 resident was aboard the F/V Ocean Leader fishing for Pollock
4 residents were aboard the F/V Lisa Marie fishing for sablefish
6 residents worked at Peter Pan's Dillingham plant processing salmon
2 residents worked at CVRF's Quinhagak plant processing salmon

3rd Quarter

4th Quarter

VOCATIONAL TRAINING

44. Provide 20 Yukon Delta residents with vocational training.

3 residents graduated from vocational training programs at AVTEC.
1 resident is enrolled in a carpenter's apprenticeship at Southern Alaska Carpenters Training in Anchorage (1st qtr).
1 resident took flight training at Yuut Yaqungviat Flight Training in Bethel (1st qtr).

- 1 resident took heavy equipment training at Northern Industrial Training in Palmer
- 2 residents took construction training at the Center for Employment Education in Palmer (2nd qtr).
- 1 resident went to Anchorage to interview with Alaska Works Partnership

45. Provide 1 training class for the Board of Directors.

46. Provide 1 training class for Village Representatives.

SCHOLARSHIPS

47. Provide 20 residents with scholarships.

Eighteen scholarships were awarded in the first quarter, continuing in the second quarter.

48. Provide 10 residents with “B” scholarship (regional, non-CEQ residents)

One “B” scholarship was awarded in the first quarter.
One “B” scholarship was awarded in the second quarter.

49. Contribute \$200,000 annually (this is a \$50,000 increase) to Yukon Delta Education Fund (includes “B” Scholarship program)

50. Receive Fishery Tax Credit Contributions in excess of \$150,000.

INTERNSHIPS AND APPRENTICESHIPS

51. Place 6 residents as crew on catcher vessels.

3 residents participated in the catcher vessel internship program aboard the F/V American Beauty, F/V Ocean Leader and F/V Vanguard in the first quarter. 2 residents participated in the catcher vessel internship program in the second quarter.

4 residents participated in the catcher vessel internship program aboard the F/V Lisa Marie in the first quarter. 4 residents participated in the catcher vessel program aboard the F/V Lisa Marie in the second quarter. 2 were returning, 2 were new.

52. Place 3-5 residents as interns in private companies.

1 resident was employed as an advanced intern at Peter Pan Seafoods and Kwikpak Fisheries in Seattle.
1 resident was employed as an engine mechanic intern at J. Kimberly Service in Anchorage.
1 resident was employed as a HACCP intern at Icicle Seafoods’ Bering Star in Dutch Harbor.

3 residents were employed by The Department of Fish and Game in Emmonak. They operated test net sites on the Yukon River.

RURAL DEVELOPMENT SPECIALIST

53 YDFDA's Rural Development Specialist works with the YDFDA Board of Directors, regional communities (tribal, city and village corporations) on issues ranging from local and regional planning, community and economic development projects and job training for private and public construction.

April

- Participated in a meeting with the CDQ State Oversight team;
- Participated in the Foraker Operations Board meeting;
- Traveled to the villages of Emmonak, Alakanuk, Nunam Iqua, Kotlik, Mountain Village, and Grayling to collect community input for the 2006-2008 CDP;
- Participated in a teleconference with LYSD and AWP to discuss the progress of the Training Academy;

May

- Hosted a dinner for 15 youth from LYSD to promote the YDFDA Scholarship Program and training and employment opportunities;
- Attended three Foraker Trainings ranging from Board Leadership to financial reporting;
- Met with Alaska Growth Capital to discuss possible financing of a project in a village;
- Participated in the RurALCAP Foundation Board meeting;
- Discussed updates and logistics with LYSD and AWP for the Training Academy through a teleconference;

June

- Facilitated the YDFDA Scholarship Committee meeting;
- Traveled to the villages of Emmonak, Alakanuk, and various fish camps of the area with Cynthia Nims and Scott Wellsandt as part of the Kwikpak marketing efforts of the Yukon King;
- Traveled to the villages of Emmonak, Nunam Iqua, St. Mary's, Grayling, Anvik, and various fish camps along the Lower Yukon river with the McDowell Group representatives for the cultural camp feasibility study;
- Participated in the promotional activities of Kwikpak Fisheries in Seattle through a public appearance at the Metropolitan Market and doing interviews with several newspapers including the Seattle Times, Seattle PI, and the New York Times;
- Attended the Foraker Operations Board meeting;
- Participated in AFN's Leadership Forum – CDQ Panel discussion.

ALUMINUM BOAT FABRICATION AND REPAIR

54. Continue to operate shop in Alakanuk for small vessel construction and repairs.

During the 2nd quarter the Alakanuk facility completed assembly of 1 new aluminum skiff. In preparation for the upcoming salmon season, the shop concentrated on skiff repairs and repair and fabrication work at Kwikpak Fisheries facilities. Repairs were completed on 12 skiffs. Modification to the salmon buying platform, the steel barge the Sunshine VI were also completed during the quarter.

55. Expand production to include aluminum ATV trailers and sleds.

Due to the overwhelming interest in the purchase of aluminum skiffs, skiff production has taken precedence over trailer production. An aluminum ATV trailer was designed and purchased and is currently being shown in a couple of the communities to obtain feedback on the design and to gauge the amount of interest in that design. The company that would provide the aluminum kits has forwarded an offer to provide enough aluminum to build 12 kits if the design is acceptable. Trailer production will be done on an as needed basis only.

56. Considering the leasing or building of a larger facility for vessel construction and repair.

YDFDA continues to lease a shop at Alakanuk for skiff production and repair and may continue to do so even with this summer's acquisition of the Emmonak Co-op's (YDFMC) land and buildings at Emmonak in an effort to spread economic development throughout the YDFDA villages. Unsolicited proposals from two companies that have built fisheries support centers in other rural communities were received. YDFDA will review these proposals to determine if this is an option that YDFDA would like to pursue.

57. Provide employment for 1 – 4 welders annually depending upon demand.

3 residents were employed by the Alakanuk Shop during the 1st quarter. All 3 continued from previous quarters.

2 residents were employed by the Alakanuk Shop during the 2nd quarter. Both were continuing from previous quarters.

NORTON SOUND HERRING AND CRAB FISHERIES

58. Diversify local fishing from salmon into other fisheries.

YDFDA continues to attempt to diversify local fishing efforts from salmon to other fisheries. No buyer was willing to commit to purchasing herring in Norton Sound so arrangements YDFDA had made to ensure growth of Yukon fishermen participating in that fishery were all for naught. YDFDA, through Kwikpak Fisheries, continues to search for markets for undeveloped local species including whitefish, snails, shrimp and clams.

59. Help secure a market for 31 herring permit holders and 16 crab permit holders.

YDFDA, working with NSEDC, tried to ensure that there would be a market for fisherman from the Yukon participating in the commercial Norton Sound crab fishery. YDFDA felt that with its newly expanded operations in the salmon fishery it would be prudent to delay development of its crab buying operations for a summer. Despite our efforts to be prepared for the 2004 Norton Sound herring season, we were unsuccessful in securing a fish buyer. We worked with NSEDC to see if a joint effort was possible to bring in a buyer to purchase Norton Sound herring. No buyer was willing to enter Norton Sound without CDQ group's participating in a possible loss. YDFDA was unwilling to take this risk alone.

60. Assist 4 resident herring fishermen in purchasing reels and shakers annually.

Due to the lack of market demand, there is no fish buying company willing to take the risk of purchasing Norton Sound herring in 2004. Because there will be no fish buying in Norton Sound this year, we have discouraged the purchase of reels and shakers.

61. Assist resident crab fishermen in purchasing davits, blocks and pots.

During the first quarter YDFDA provided crab pots to local subsistence fishermen to enable them to participate in a winter subsistence fishery. It is hoped that this will familiarize local fishermen with the crab resources in proximity to the Yukon Delta region. During the second quarter this effort continued with fishermen traveling by skiff into Norton Sound and harvesting crab. YDFDA outfitted two vessels with gear to participate in the commercial crab fishery following the Yukon River salmon season.

LOAN GUARANTEES

62. Familiarize residents with the risks and advantages of participating in YDFDA's loan guarantee program.

Due to recent changes within the Alaska Division of Investments which mandate that applicants apply first through the Commercial Fisheries and Agricultural Bank, the YDFDA Board of Directors will review YDFDA's loan policy to possibly extend the guarantee program to Commercial Fisheries and Agricultural Bank.

During the second quarter, notices were posted in the communities to familiarize residents with the YDFDA loan program

63. Provide loan guarantees to qualified applicants for the purchase of Yukon River salmon, Cape Romanzof herring, and Norton Sound herring limited entry permits.

During the second quarter, YDFDA provided technical assistance to five residents. Four were buying Yukon River salmon permits, one was getting forms for an emergency transfer.

64. Provide loan guarantees to qualified applicants to purchase fishing gear and vessels.

Several residents inquired about our loan program and thirteen loan applications were given out. These inquiries were for vessel and equipment purchases.

TEST FISHERIES AND DEVELOPMENT

65. Work with fishermen to locally harvest CDQ halibut allocation by 2005.

With our newly expanded salmon operations taking up time and effort we felt it would be prudent to delay for a summer the exploration and development of a near shore halibut fishery.

66. Diversify local fishing from salmon into other species, including underutilized local species such as lamprey, cisco, in-river whitefish and shellfish.

YDFDA secured a market to once again provide commercial fishing of lamprey for the second year for Yukon fishermen in 2004. Fishermen have been contracted to provide samples of various whitefish, shrimp, snails and clams to research market acceptability.

67. Provide employment to residents through fishing, processing and shipping of other species.

YDFDA secured a market to provide commercial fishing opportunities for lamprey the fall of 2004. This would include employment by residents involved in packaging and shipping of the product.

68. Provide additional source of product to salmon buying operation

Due to the expansion of the salmon operations, no additional non salmon product was processed at the plant.

REGIONAL FISHERIES ECONOMIC DEVELOPMENT

69. Fund individuals, communities and organizations that promote development opportunities in the lower Yukon.

During the month of January, the Alaska Board of Fisheries met in Fairbanks to consider changes to the Yukon River salmon fisheries. Given the large investment made by YDFDA, through Kwipak Fisheries in the Yukon River fishery, making

sure that the fishery is able to continue without unreasonable restrictions is critical. Proposals had been submitted by some Yukon River users to severely limit the opportunity for a commercial fishery to proceed in the lower river, despite recent increases in the size of the runs.

YDFDA sponsored its board members and 7 resident fishermen to represent the commercial fishery at the Fairbanks meeting. The representatives testified at the meeting explaining the importance of the commercial fishery to the economy of the region, the fact that the fishery does not impact upriver users, and that the fishing techniques are not endangering the runs. The Board of Fisheries agreed with the comments made by the lower river fishermen and did not make any changes in the regulations governing the fishery.

While the fishery was discussed thoroughly at the January meeting, a petition was prepared by the Fairbanks Fish and Game Advisory Committee requesting reconsideration of their decisions during their February meetings in Anchorage. Again, YDFDA supported 7 resident fishermen to participate at this meeting to ensure that the voice of the lower Yukon was heard. Again, the Board rejected any changes to the fishery. Clearly, however, the issues surrounding the salmon runs in the Yukon will continue to be contentious in the future.

YDFDA made a donation to Alaska Business Development Center for tax preparers to travel to all 6 of our villages to help residents file tax returns.

In May, YDFDA made a donation to the Fish Defense Fund which would allow for an assessment of the impact of the interception of summer chum bound for Western Alaska including the Yukon.

In May we also funded YRDFA to provide teleconferences during the summer fishing season. These teleconferences enable ADF&G to get an assessment on run strength which facilitates the opening of commercial fisheries earlier.

YDFDA makes an annual contribution to village entities for local needs. Maximum annual contribution per village is \$2,500.

2004 Donations

Calista Elder's Council	\$1,250
Marvin Deacon, Grayling Wellness Counselor	\$2,500
Kotlik Yupik Corporation	\$1,125
Kotlik City Council	\$1,125

ACTIVE INFRASTRUCTURE PROJECTS

LOWER YUKON REGIONAL SALMON QUALITY

70. Provide ice machines and insulated fish totes to 4 villages on the lower Yukon River.

YDFDA purchased a covered steel barge, the Sunshine VI, to utilize as a buying station in Y2. This barge came equipped with an ice machine and chill room. To ensure quality was maintained throughout the season, YDFDA, through Kwipak Fisheries, installed a secondary ice machine on the barge which guaranteed product had adequate levels of ice throughout the harvesting and transportation processes. Fishermen utilized the previously purchased totes in the commercial fishery.

In the fourth quarter of 2003, YDFDA applied for and received a \$170,000 Fisheries Economic Development grant from the State of Alaska. This grant will be used to purchase equipment. During the second quarter of 2004, YDFDA, through Kwipak Fisheries, began the process of modifying a newly acquired building at Emmonak for the placement of this equipment when purchased. This equipment should enable Kwipak Fisheries to process chum salmon at a minimum expense. Any savings realized would be used to boost the ex-vessel price paid to fishermen for chum salmon. This may make it worthwhile for fishermen to once again target chum salmon.

71. Introduce and continue instructing salmon quality techniques to fishermen on the Yukon River.

Preseason village meetings were held in June with fishermen in Alakanuk, Emmonak, Kotlik and Mountain Village to review the importance of and techniques for delivering top quality salmon for sale. We also met preseason with fishermen from district Y2 of the Yukon in Pilot Station and St. Mary's to emphasize the importance of harvesting and delivering top quality salmon.

72. Build into Yukon Salmon Regional Marketing.

In February, Kwipak Fisheries received an Alaska Salmon Marketing Grant in the amount of \$160,000. The grant is to assist in the creation of new markets and product lines, product labeling, packaging and advertising.

In April, 2004, Kwipak Fisheries was awarded a marketing grant from the State of Alaska for a total of \$197,000 which included additional funds requested after the initial award. Work began immediately to develop a nationwide awareness of the Yukon Kings.

The strategy was to target certain areas of the country and to find high-end markets that would do promotions on the Yukon Kings as well as newspapers who would write articles in the target areas. The product used for this program was only the highest quality fish and was generally taken from what the Japanese technician graded as number one premium quality.

Working with a graphic designer, we developed the Yukon's Gold Standard tag which was attached to each fish tail. This set Kwikpak's fish apart from the fish sold by others. We provided marketing materials to the stores selling Kwikpak Yukon Kings which included detailed information packets, stickers, posters and information cards.

The public relations firm we hired worked on promoting the Yukon Kings through newspaper, magazine and television media. Articles began appearing just before the season opened. A front page article appeared in the Seattle PI on June 17, followed by a second article on June 23. There were also articles in the Seattle Times, the Seattle Weekly, and the New York Times as well as other papers throughout the country. Copies of all articles we have tracked to date are attached. In addition to all of this, Cynthia Nims, a Northwest cookbook author, is including a section on Yukon Kings in her upcoming salmon cookbook which will be published within the next few months. We have a number of publications who will be featuring articles on the Yukon King next spring.

The feedback we have gotten on the fish has been tremendous – the Lower 48 has been hooked! The five Oceanaire Restaurants reported that Yukon Kings made up 60% of their orders at each location on a daily basis. The chef at the Central Oyster Bar in New York City said they sold out of Yukon Kings every day. Metropolitan Markets reported they had more customers returning to purchase Yukon Kings than for any other product they have ever carried. The Food Editor for the Nation's Restaurant News said "This is probably the richest most succulent fish I've ever put in my mouth. I've never roasted a fish and had oil run out of it. Amazing!"

The bottom line of this effort is that we have planted the seed, generated the interest and have given the Yukon King the stature as **THE** best salmon available anywhere. Over the next years the demand will be greater and the prices for the product will rise. And, our main objective will be met by significantly increasing the grounds price paid to the fishermen.

ACTIVE FUND/CASH MANAGEMENT PROJECTS

RESERVE FUND

73. To maintain Reserve Funds adequate to mitigate the effects of a downturn in the fishing industry, preserve capital, provide investment return and liquidity.

See Financial Statements.

74. At a minimum have one year's operational expenses covered by Reserve Fund.

See Financial Statements.

ADMINISTRATIVE EFFORTS

ADMINISTRATION BUDGET

75. YDFDA board review on a quarterly basis to ensure that Board and administration expenses remain below 20% of projected income (income defined as royalty, income from joint venture investments and investment income).

See Financial Statements.

76. YDFDA Board reviews administrative expenses on a quarterly basis and adjustments made as necessary to keep expenses below the 20% threshold.

See Financial Statements.

B. OUTREACH

YDFDA's scholarship program includes non-CDQ villages in the region. This includes non-CDQ villages on the Yukon River between Grayling and Mt. Village, which are included in the Lower Yukon and Iditarod School Districts. The Scholarship Committee met in August to approve scholarship recipients and approve minor changes to the scholarship policies.

In addition to scholarships, YDFDA is also accepting applications for employment in the fishing industry from non-CDQ villages on the lower Yukon River.

Development of the web page content is underway. Once completed, it will allow access by interested individuals wanting to learn more about YDFDA, its subsidiaries, employment, training, and scholarship programs.

All of YDFDA's communities were visited to gather input from community residents for the 2006-2008 Community Development Plan. Over 75 community residents participated in the process.

As part of YDFDA's marketing plan for the Yukon king salmon, a well-known author of Northwest cookbooks and photographer were escorted to the Lower Yukon villages of Emmonak, Alakanuk, Kotlik, and nearby fish camps to learn more about the people and culture of the Lower Yukon River region. The author will incorporate her experience in an upcoming cookbook and through articles she submits to national magazine publications such as Bon Appetite and Sunset. With the assistance of a fish marketing grant from DCED, an aggressive marketing campaign was forged in the Seattle area with Metropolitan Markets and several major fish buyers in the area. The Yukon King was featured in the Seattle Times, Seattle P.I., the New York Times, and Anchorage Daily News as a result of this effort.

- Participated in a teleconference with LYSD and AWP to discuss the progress of the Training Academy;
- Participated in a meeting with the CDQ State Oversight team;
- Participated in the Foraker Operations Board meeting;
- Hosted a dinner for 15 youth from LYSD to promote the YDFDA Scholarship Program and training and employment opportunities;
- Arranged a tour of the M/V Golden Alaska through our Seattle office for 10 youth visiting Seattle from St. Mary's. Provided information about scholarship and training opportunities offered by YDFDA;
- Traveled to the villages of Emmonak, Nunam Iqua, St. Mary's, Grayling, Anvik, and various fish camps along the Lower Yukon river with the McDowell Group representatives for the cultural camp feasibility study;
- Participated in AFN's Leadership Forum – CDQ Panel discussion.
- Participated in the RurALCAP Foundation Board meeting;

Our village representative program continues in all six villages, Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Nunam Iqua. The village representatives work in the communities to provide information regarding employment opportunities and training positions. They also administer drug tests to applicants. They have applications and information for residents interested in the scholarship programs and loan applications from both the Division of Investments and the AVCP Revolving Loan Program.

YDFDA's newsletter, the "Yukon Drifter", is mailed to every household in member communities.

Discussions continue with District Y2 fishermen to address the problems of marketing district Y2 salmon. We met with Y2 fishermen in Pilot Station and St. Mary's prior to the season to discuss problems associated with the marketing of Y2 fish and steps fishermen could take to ensure quality of product delivered for sale. YDFDA, through Kwipak Fisheries, purchased all salmon offered for sale from district Y2 fishermen in June at our operations out of Mountain Village.

The attached announcements were posted in the villages during the third quarter.

C. EMPLOYMENT

1. EMPLOYMENT DATA FORM – March 31, 2004

	2 nd Quarter		Year-To-Date	
	People	Wages	People	Wages
Management/Administrative	9	\$127,797.60	9	\$256,108.04
Village Representatives	6	\$9,000.00	6	\$15,000.00
CDQ Pollock				
A Season	24	\$437,206.85	24	\$437,206.85
B Season	15	\$0.00	12	\$0.00
Other Fishing	14	\$100,296.17	22	\$128,547.03
Other Employment	108	\$113,382.33	109	\$128,310.58
Internships	6	\$5,653.50	6	\$18,384.72
Total of Rows	182	\$793,336.45	188	\$983,557.22
Total Unique Individuals	182	\$793,336.45	188	\$983,557.22

2. SUMMARY:

- ◆ Management/Administrative – 9
- ◆ Village Representatives – 6 (one from each of the six villages)
- ◆ CDQ Pollock – 15
- ◆ Other Fishing – 14
- ◆ Internships – 6

Other Employment

- ◆ YDFDA Welding Program – 2
- ◆ Kwikpak Fisheries - 106

NOTES TO EMPLOYMENT DATA FORM:

Management/Administrative – 9 employees working for YDFDA in Alakanuk, Anchorage, Emmonak, and Seattle. Six employees are or have been residents of YDFDA member villages.

Village Representatives - 6 residents representing YDFDA as Village Representatives, one in each member village.

CDQ Pollock – M/V Golden Alaska out of Dutch Harbor, AK
15 residents worked in the processing plant. 12 were first time trainees and 3 were returning crew.

Breakdown by village:

3 residents from Alakanuk
6 residents from Emmonak
2 residents from Grayling
1 resident from Kotlik
3 residents from Nunam Iqua

NOTE: Wages reported were earned in the first quarter.

Other Fishing – 14 residents Total

4 residents trained on YDFDA's F/V Lisa Marie fishing for sablefish out of Dutch Harbor, AK. 2 were returning crew, 2 were first time trainees.

Breakdown by village:

1 resident from Alakanuk
2 residents from Emmonak
1 resident from St. Mary's

1 resident continued as crew in a training program on Golden Alaska's catcher vessel F/V Ocean Leader. He was fishing for Pollock out of Dutch Harbor, AK.

1 resident continued as a crew in a full time position on Golden Alaska's catcher vessel F/V American Beauty. He was fishing for Pollock out of Dutch Harbor, AK.

Breakdown by village:

1 resident from Alakanuk
1 resident from Emmonak

NOTE: Wages reported were earned in the first quarter.

6 residents worked at Peter Pan Seafoods' Dillingham Plant processing salmon.

Breakdown by village:

4 residents from Emmonak
2 residents from Mountain Village

2 residents worked at CVRS's Quinhagak Plant processing salmon.

Breakdown by village:

2 residents from Mountain Village

Other Employment – 108 residents Total

2 residents were employed at YDFDA's welding facility in Alakanuk. Both were continuing employees.

Breakdown by village: 2 residents from Emmonak

106 residents were employed by Kwipak Fisheries in Emmonak. All 106 were new hires.

Breakdown by village: 60 residents from Emmonak
 17 residents from Kotlik
 28 residents from Mountain Village
 1 resident from Alakanuk

Internships – 6 residents Total

1 resident completed an advanced office internship at Peter Pan Seafoods' Seattle office and Kwipak Fisheries LLC's Seattle office. He became an employee of Kwipak Fisheries in Emmonak this summer.

Breakdown by village: 1 resident from Emmonak

1 resident completed an engine mechanic internship at J. Kimberly Service's Anchorage shop. He became an employee of Kwipak Fisheries in Emmonak this summer.

Breakdown by village: 1 resident from Emmonak

1 resident completed a HACCP internship on Icicle Seafoods' Bering Star in Dutch Harbor.

Breakdown by village: 1 resident from Mountain Village

3 residents were employed as interns with the Department of Fish and Game in Emmonak. They operated test net sites on the Yukon River.

Breakdown by village: 3 residents from Emmonak

D. TRAINING

1. TRAINING DATA FORM – March 31, 2004

	2 nd Quarter		Year-To-Date	
	People	Expenditure	People	Expenditure
Scholarships				
University of Alaska	15	\$00.00	15	\$36,000.00
Alaska Pacific University	1	\$00.00	1	\$2,500.00
Sheldon Jackson College				
Other Institutes	4	\$500.00	4	\$6,000.00
Voc-Tech Classes				
AVTEC and Other Institutions	7	\$2,813.53	9	\$5,507.10
Other Training				
Fisheries Related – See Emp Sheet	22	\$15,223.61	43	\$34,362.93
Lisa Marie Training Wages	--	\$3,246.45	--	\$3,246.45
Catcher Vessel Training Wages	--	\$48,375.95	--	\$48,375.95
Interns	6	\$12,939.03	6	\$19,697.71
Other –Vessel Safety/Village Reps	0	\$276.62	27	\$8,468.71
Other Expenditures				
To Educational Institutes				
Educational Endowment Funds				
Other				
Total	55	\$83,375.19	105	\$164,158.85

2. SUMMARY

- ◆ Scholarships – 20
- ◆ Voc - Tech Classes - 7
- ◆ Fisheries Training Expenses – 22
- ◆ Lisa Marie/Catcher Vessel Training Wages – People counted in Fisheries Training
- ◆ Village Rep Expenses
- ◆ Internship - 6
- Total – 55

NOTES TO TRAINING DATA FORM:

Scholarships/Voc-Tech Classes - 27 Students Total

15 residents were enrolled at the University of Alaska under YDFDA's scholarship program.
All were continuing students.

Breakdown by village: 3 residents from Alakanuk
 5 residents from Emmonak
 1 resident from Graying
 5 residents from Mt. Village
 1 resident from Kotlik

1 resident was enrolled at Alaska Pacific University under YDFDA's scholarship program.
Continuing student.

Breakdown by village: 1 resident from Mtn. Village

1 resident is currently enrolled at Harvard under YDFDA's Educational Program. Continuing student.

Breakdown by village: 1 resident from Grayling

1 resident is currently enrolled at Black Foot Community College under YDFDA's Educational Program. Continuing student.

Breakdown by village: 1 resident from Mtn. Village

1 resident is currently enrolled at Fort Lewis College under YDFDA's Scholarship "B" Program. Continuing Student.

Breakdown by village: 1 resident from St. Mary's

1 resident is currently enrolled at the University of Phoenix under YDFDA's Scholarship "B" Program. New student.

Breakdown by village: 1 resident from Marshall

2 residents are currently enrolled in AVTEC's Business & Office Technology program in Seward, AK

Breakdown by village: 1 resident from Emmonak
 1 resident from Kotlik

1 resident graduated from AVTEC's Industrial Electricity program in Seward, AK

Breakdown by village: 1 resident from Mtn. Village

1 resident graduated from heavy equipment training at Northern Industrial Training in Palmer.

Breakdown by village: 1 resident from Mtn. Village

2 residents are taking construction training at the Center for Employment Education in Palmer.

Breakdown by village: 1 resident from Alakanuk

1 resident from Mtn. Village

1 resident went to Anchorage to interview with Alaska Works Partnership

Breakdown by village: 1 resident from Emmonak

Fisheries Training – 22 residents total were involved in YDFDA's fisheries training program.

NOTE: Definition of training program is first time experience.

12 residents were aboard the M/V Golden Alaska as first time trainees processing Pollock.

Breakdown by village: 2 residents from Alakanuk
5 residents from Emmonak
1 resident from Grayling
1 resident from Kotlik
3 residents from Nunam Iqua

2 residents were aboard the F/V Lisa Marie as first time trainees fishing for sablefish.

Breakdown by village: 1 resident from Emmonak
1 resident from St. Mary's

6 residents worked at Peter Pan Seafoods' Dillingham Plant processing salmon.

Breakdown by village: 4 residents from Emmonak
2 residents from Mountain Village

2 residents worked at CVRS's Quinhagak Plant processing salmon.

Breakdown by village: 2 residents from Mountain Village

Other Training

Internships

1 resident completed an advanced office internship at Peter Pan Seafoods' Seattle office and Kwipak Fisheries LLC's Seattle office. He became an employee of Kwipak Fisheries in Emmonak this summer.

Breakdown by village: 1 resident from Emmonak

1 resident completed an engine mechanic internship at J. Kimberly Service's Anchorage shop. He became an employee of Kwipak Fisheries in Emmonak this summer.

Breakdown by village: 1 resident from Emmonak

1 resident completed a HACCP internship on Icicle Seafoods' Bering Star in Dutch Harbor.

Breakdown by village: 1 resident from Mtn. Village

3 residents were employed as interns with the Department of Fish and Game in Emmonak. They operated test net sites on the Yukon River.

Breakdown by village: 3 residents from Emmonak

III. ADMINISTRATION

A. Board Activities

Changes in Membership: There were no changes to YDFDA's Board of Directors during this quarter.

The Board of Directors met twice during the second quarter:

April 15, 2004 by teleconference

May 10 and 11, 2004 in Anchorage

The Scholarship Committee met by teleconference June 1, 2004

NOTE: Please see Confidential Exhibit C for minutes.

B. State of Alaska Reporting Compliance - None

C. CDP Amendment Status

April 16, 2004	04-05YD Add C/V St Nicholas and shoreside processor to the CDP Fish Plan
May 15, 2004	04-06YD Submit substantial Amendment to purchase the C/P Courageous
June 3, 2004	04-07YD Submit Substantial Amendment to purchase Class A Halibut IFQ shares in area 4A and 4D

D. Other Issues - None

HARVESTING ACTIVITIES

A. Pollock & Multi-species Harvest by Quarter/YTD Activities by Target Fishery.

Summary Table of all target fisheries taking place in the Second Quarter 2004

MS CDQ / PSQ Account Status Report To June 30, 2004													
CDQ Group: YDFDA	Units	Initial Allocation	Transferred In	Transferred Out	Allocation after transfers	CDQ / PSQ Catch Reported				YTD Harvest	Percent Harvested	CDQ / PSQ Remaining	Percent Remaining
CDQ Reserve Category		Amount				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Harvest			
BS Pollock	mt	20888.000			20,888.000	8,332.615				8,332.615	39.89%	12,555.385	60.11%
Pacific Cod	mt	3070.970		-120.000	2,950.970	868.045	842.277			1,710.322	57.96%	1,240.648	42.04%
BS FG Sablefish	mt	89.900			89.900	6.679	24.651			31.330	34.85%	58.570	65.15%
AI FG Sablefish	mt	65.100			65.100							65.100	100.00%
BS Sablefish	mt	23.980		-16.000	7.980							7.980	100.00%
AI Sablefish	mt	12.180		-7.500	4.680							4.680	100.00%
WAI Atka Mackerel 543	mt	279.000		-270.000	9.000							9.000	100.00%
CAI Atka Mackerel 542	mt	419.940		-410.000	9.940							9.940	100.00%
EAI/BS Atka Mackerel 541	mt	151.740		-140.000	11.740	0.036	0.013			0.049	0.42%	11.691	99.58%
Yellowfin Sole	mt	1743.120		-1,600.000	143.120	8.462	7.229			15.691	10.96%	127.429	89.04%
Rock Sole	mt	707.250		-570.000	137.250	28.230	0.422			28.652	20.88%	108.598	79.12%
BS Greenland Turbot	mt	40.600		-16.000	24.600	0.169	1.633			1.802	7.33%	22.798	92.67%
AI Greenland Turbot	mt	11.400		-5.000	6.400							6.400	100.00%
Arrowtooth Flounder	mt	198.000		-140.000	58.000	5.456	10.730			16.186	27.91%	41.814	72.09%
Flathead Sole	mt	285.000		-190.000	95.000	14.206	4.339			18.545	19.52%	76.455	80.48%
Other Flatfish	mt	58.500		-30.000	28.500	9.242	0.038			9.280	32.56%	19.220	67.44%
Alaska Plaice	mt	105.000		-75.000	30.000	0.004				0.004	0.01%	29.996	99.99%
BS Pacific Ocean Perch	mt	16.960		-11.000	5.960							5.960	100.00%
WAI Pacific Ocean Perch 543	mt	70.020		-63.000	7.020							7.020	100.00%
CAI Pacific Ocean Perch 542	mt	39.420		-33.000	6.420							6.420	100.00%
EAI Pacific Ocean Perch 541	mt	41.220		-32.000	9.220							9.220	100.00%
Northern Rockfish	mt	N/A									N/A	N/A	N/A
Shortraker Rockfish	mt	N/A				0.005	0.024			0.029	N/A	N/A	N/A
Rougheye Rockfish	mt	N/A									N/A	N/A	N/A
BS Other Rockfish	mt	6.650			6.650	0.029	0.093			0.122	1.83%	6.528	98.17%
AI Other Rockfish	mt	9.120			9.120							9.120	100.00%
Other Species	mt	408.000			408.000	182.881	162.474			345.355	84.65%	62.645	15.35%
PSQ Reserve Category													
Zone 1 Red King Crab	ea	3398		-1,600	1,798		48			47.660	2.65%	1,750.340	97.35%
Zone 1 Bairdi Tanner Crab	ea	19110		-12,000	7,110	24	87			111.802	1.57%	6,998.198	98.43%
Zone 2 Bairdi Tanner Crab	ea	53460		-40,000	13,460							13,460.000	100.00%
Opilio Tanner Crab	ea	81563		-45,000	36,563							36,563.000	100.00%
Pacific Halibut (mortality)	mt	78.89		-40.000	38.890	1.861	4.638			6.499	16.71%	32.391	83.29%
Chinook Salmon	ea	305			305.000	246				245.885	80.62%	59.115	19.38%
Non-Chinook Salmon	ea	441			441.000							441.000	100.00%

Pollock Target Fishery

Pollock Target Fishery Harvest Activity Second Quarter as of June 30, 2004								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (40%)	mt	8,355.200	8,332.615				8,332.615	100.000%
B Season (60%)	mt	12,532.800					0.000	0.000%
BS Pollock Total	mt	20,888.000	8,332.615	0.000	0.000	0.000	8,332.615	100.000%
Bycatch								
Pacific Cod	mt	2,950.970	49.585				49.585	0.595%
BS FG Sablefish	mt	89.900					0.000	0.000%
AI FG Sablefish	mt	65.100					0.000	0.000%
BS Sablefish	mt	7.980					0.000	0.000%
AI Sablefish	mt	4.680					0.000	0.000%
WAI Atka Mackerel 543	mt	9.000					0.000	0.000%
CAI Atka Mackerel 542	mt	9.940					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	11.740	0.019				0.019	0.000%
Yellowfin Sole	mt	143.120	8.454				8.454	0.101%
Rock Sole	mt	137.250	26.085				26.085	0.313%
BS Greenland Turbot	mt	24.600					0.000	0.000%
AI Greenland Turbot	mt	6.400					0.000	0.000%
Arrowtooth Flounder	mt	58.000	0.191				0.191	0.002%
Flathead Sole	mt	95.000	8.484				8.484	0.102%
Other Flatfish	mt	28.500	8.753				8.753	0.105%
Alaska Plaice	mt	30.000	0.004				0.004	0.000%
BS Pacific Ocean Perch	mt	5.960					0.000	0.000%
WAI Pacific Ocean Perch 543	mt	7.020					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	6.420					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	9.220					0.000	0.000%
Northern Rockfish	mt	0.000					0.000	0.000%
Shortraker Rockfish	mt	0.000					0.000	0.000%
Rougheye Rockfish	mt	0.000					0.000	0.000%
BS Other Rockfish	mt	6.650					0.000	0.000%
AI Other Rockfish	mt	9.120					0.000	0.000%
Other Species	mt	408.000	8.946				8.946	0.107%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1,798.000					0.000	0.000
Zone 1 Bairdi Tanner Crab	ea	7,110.000					0.000	0.000
Zone 2 Bairdi Tanner Crab	ea	13,460.000					0.000	0.000
Opilio Tanner Crab	ea	36,563.000					0.000	0.000
Pacific Halibut (mortality)	mt	38.890	0.195				0.195	0.000
Chinook Salmon	ea	305.000	245.885				245.885	0.030
Non-Chinook Salmon	ea	441.000					0.000	8.000

No CDQ Pollock fishing during the second quarter

Yukon Delta Fisheries Development Association
Second Quarter 2004 Report
April 1, 2004 – June 30, 2004

Pacific Cod Target Fishery

Pacific Cod Target Fishery Harvest Activity Second Quarter as of June 30, 2004								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (60%)	mt	1,770.582	817.776	840.886			1,658.662	100.0%
B Season (40%)	mt	1,180.388					0.000	0.0%
Pacific Cod Total	mt	2,950.970	817.776	840.886	0.000	0.000	1,658.662	100.0%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.00%
BS FG Sablefish	mt	89.900					0.000	0.00%
AI FG Sablefish	mt	65.100					0.000	0.00%
BS Sablefish	mt	7.980					0.000	0.00%
AI Sablefish	mt	4.680					0.000	0.00%
WAI Atka Mackerel 543	mt	9.000					0.000	0.00%
CAI Atka Mackerel 542	mt	9.940					0.000	0.00%
EAI/BS Atka Mackerel 541	mt	11.740	0.004				0.004	0.00%
Yellowfin Sole	mt	143.120	0.008	7.229			7.237	0.44%
Rock Sole	mt	137.250	2.145	0.422			2.567	0.15%
BS Greenland Turbot	mt	24.600	0.079				0.079	0.00%
AI Greenland Turbot	mt	6.400					0.000	0.00%
Arrowtooth Flounder	mt	58.000	3.323	2.571			5.894	0.36%
Flathead Sole	mt	95.000	5.722	4.339			10.061	0.61%
Other Flatfish	mt	28.500	0.489	0.035			0.524	0.03%
Alaska Plaice	mt	30.000					0.000	0.00%
BS Pacific Ocean Perch	mt	5.960					0.000	0.00%
WAI Pacific Ocean Perch 543	mt	7.020					0.000	0.00%
CAI Pacific Ocean Perch 542	mt	6.420					0.000	0.00%
EAI Pacific Ocean Perch 541	mt	9.220					0.000	0.00%
Northern Rockfish	mt	0.000					0.000	0.00%
Shortraker Rockfish	mt	0.000					0.000	0.00%
Rougheye Rockfish	mt	0.000					0.000	0.00%
BS Other Rockfish	mt	6.650		0.053			0.053	0.00%
AI Other Rockfish	mt	9.120					0.000	0.00%
Other Species	mt	408.000	173.934	162.445			336.379	20.28%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1,798.000		47.660			47.660	2.87%
Zone 1 Bairdi Tanner Crab	ea	7,110.000	24.338	87.464			111.802	6.74%
Zone 2 Bairdi Tanner Crab	ea	13,460.000					0.000	0.00%
Opilio Tanner Crab	ea	36,563.000					0.000	0.00%
Pacific Halibut (mortality)	mt	38.890	1.61	4.611			6.221	0.38%
Chinook Salmon	ea	305.000					0.000	0.00%
Non-Chinook Salmon	ea	441.000					0.000	0.00%

Bering Sea Sablefish Target Fishery

Bering Sea Sablefish Target Fishery Harvest Activity First Quarter as of June 30, 2004								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
BS FG Sablefish	mt	89.900	6.679	24.651			31.330	100.0%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.0%
Pacific Cod	mt	2,950.970	0.684	1.391			2.075	6.6%
AI FG Sablefish	mt	65.100					0.000	0.0%
BS Sablefish	mt	7.980					0.000	0.0%
AI Sablefish	mt	4.680					0.000	0.0%
WAI Atka Mackerel 543	mt	9.000						0.0%
CAI Atka Mackerel 542	mt	9.940						0.0%
EAI/BS Atka Mackerel 541	mt	11.740	0.013	0.013			0.026	0.1%
Yellowfin Sole	mt	143.120					0.000	0.0%
Rock Sole	mt	137.250					0.000	0.0%
BS Greenland Turbot	mt	24.600	0.090	1.633			1.723	5.5%
AI Greenland Turbot	mt	6.400						0.0%
Arrowtooth Flounder	mt	58.000	1.942	8.159				0.0%
Flathead Sole	mt	95.000						0.0%
Other Flatfish	mt	28.500		0.003				0.0%
Alaska Plaice	mt	30.000					0.000	0.0%
BS Pacific Ocean Perch	mt	5.960					0.000	0.0%
WAI Pacific Ocean Perch 543	mt	7.020					0.000	0.0%
CAI Pacific Ocean Perch 542	mt	6.420					0.000	0.0%
EAI Pacific Ocean Perch 541	mt	9.220					0.000	0.0%
Northern Rockfish	mt	0.000					0.000	0.0%
AI Northern Rockfish	mt	0.000					0.000	0.0%
Shortraker Rockfish	mt	0.000	0.005	0.024			0.029	0.1%
Rougheye Rockfish	mt	0.000					0.000	0.0%
BS Other Rockfish	mt	6.650	0.029	0.040			0.069	0.2%
AI Other Rockfish	mt	9.120					0.000	0.0%
Other Species	mt	408.000	0.001	0.029			0.030	0.1%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1798					0	0.0%
Zone 1 Bairdi Tanner Crab	ea	7110					0	0.0%
Zone 2 Bairdi Tanner Crab	ea	13460					0	0.0%
Opilio Tanner Crab	ea	36563					0	0.3%
Pacific Halibut (mortality)	mt	38.890	0.056	0.027			0.000	0.0%
Chinook Salmon	ea	305.000					0	0.0%
Non-Chinook Salmon	ea	441.000					0	0.0%

Aleutian Island Sablefish Target Fishery

Vessel was fishing but no delivery until July 2004

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Crab Target Fisheries

Crab Harvest Activity First Quarter as of June 30, 2004												
CDQ Reserve Category	Units	Annual Allocation	Transferred In	Transferred Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
Bering Sea C. <i>Opilio</i> (snow) Tanner crab	lbs	302,954		395	302,559	302,559				302,559	100.00%	0
Bering Sea C. <i>Bairdi</i> Tanner crab	lbs				0					0		
Bristol Bay Red King crab	lbs				0					0		
Norton Sound Red King crab	lbs	13,250			13,250		13,025			13,025	98.30%	225
Pribilof Red & Blue King crab	lbs				0					0		
St Matthew Blue King crab	lbs				0					0		

Flat Fish/Atka Mackerel Joint Fishery June 30, 2004

2004 BBEDC, CBSFA, CVRF, & YDFDA Flatfish Pool Harvest to June 30, 2004							
Species	Total	YD	Catch	YD	Total	MTs Remaining	% Remain
Pacific Cod	410.000	29.3%	32.133	9.405	32.133	377.867	92.2%
BS Sablefish	41.000	39.0%		0.000	0.000	41.000	100.0%
AI Sablefish	20.750	36.1%		0.000	0.000	20.750	100.0%
WAI Atka Mackerel	831.000	32.5%		0.000	0.000	831.000	100.0%
CAI Atka Mackerel	1,254.000	32.7%	70.327	22.994	70.327	1,183.673	94.4%
EAI/BS Atka Mackerel	426.000	32.9%	387.811	127.450	387.811	38.189	9.0%
Yellowfin Sole	3,670.000	43.6%	1,236.198	538.942	1,236.198	2,433.802	66.3%
Rock Sole	1,270.000	44.9%	331.234	148.664	331.234	938.766	73.9%
BS Greenland Turbot	52.800	30.3%	0.316	0.096	0.316	52.484	99.4%
AI Greenland Turbot	20.000	25.0%		0.000	0.000	20.000	100.0%
Arrowtooth Flounder	328.000	42.7%	3.691	1.575	3.691	324.309	98.9%
Flathead Sole	557.000	34.1%	1.899	0.648	1.899	555.101	99.7%
Other Flatfish	65.250	46.0%	18.123	8.332	18.123	47.127	72.2%
Alaska Plaice	345.000	21.7%	5.727	1.245	5.727	339.273	98.3%
BS Pacific Ocean Perch	40.080	27.4%		0.000	0.000	40.080	100.0%
WAI Pacific Ocean Perch	200.600	31.4%		0.000	0.000	200.600	100.0%
CAI Pacific Ocean Perch	106.000	31.1%	0.088	0.027	0.088	105.912	99.9%
EAI Pacific Ocean Perch	108.300	29.5%	93.892	27.743	93.892	14.408	13.3%
BS Other Rockfish	4.500	33.3%		0.000	0.000	4.500	100.0%
AI Other Rockfish	14.400	31.3%	0.784	0.245	0.784	13.616	94.6%
Other Species	N/A					N/A	N/A
BS Pollock							
Prohibited Species							
Zone 1 Red King Crab	5,050	31.7%		0.000	0.000	5,050.000	100.0%
Zone 1 Bairdi Tanner Crab	29,000	41.4%		0.000	0.000	29,000.000	100.0%
Zone 2 Bairdi Tanner Crab	111,000	36.0%		0.000	0.000	111,000.000	100.0%
Opilio Tanner Crab	125,000	36.0%		0.000	0.000	125,000.000	100.0%
Pacific Halibut	94.000	42.6%	23.380	9.949	23.380	70.620	75.1%
Chinook Salmon			27.106				

Catch reported by BBEDC

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CDQ Species Transfers through June 30, 2004

No species transfers occurred during the second quarter

2004 YDFDA CDQ Transfers					Transfer Number 04-02 YD	Transfer Number 04-04YD
CDQ Species					TO FROM	TO FROM
First Quarter Report					BBEDC	BBEDC
Year to Date					1/26/2004	3/2/2004
Species or Species Group			Transfers	Transfers		
	Units		IN	OUT		
				NET		
				Allocation		
BS Pollock	mt	20888.000				
Pacific Cod	mt	3070.970		-120	2950.970	120
BS FG Sablefish	mt	89.900			89.900	
AI FG Sablefish	mt	65.100			65.100	
BS Sablefish	mt	23.980		-16	7.980	16
AI Sablefish	mt	12.180		-7.5	4.680	7.5
WAI Atka Mackerel 543	mt	279.000		-270	9.000	270
CAI Atka Mackerel 542	mt	419.940		-410	9.940	410
EAI/BS Atka Mackerel 541	mt	151.740		-140	11.740	140
Yellowfin Sole	mt	1743.120		-1600	143.120	1600
Rock Sole	mt	707.250		-570	137.250	570
BS Greenland Turbot	mt	40.600		-16	24.600	16
AI Greenland Turbot	mt	11.400		-5	6.400	5
Arrowtooth Flounder	mt	198.000		-140	58.000	140
Flathead Sole	mt	285.000		-190	95.000	190
Other Flatfish	mt	58.500		-30	28.500	30
Alaska Plaice	mt	105.000		-75	30.000	75
BS Pacific Ocean Perch	mt	16.960		-11	5.960	11
WAI Pacific Ocean Perch 5	mt	70.020		-63	7.020	63
CAI Pacific Ocean Perch 5	mt	39.420		-33	6.420	33
EAI Pacific Ocean Perch 54	mt	41.220		-32	9.220	32
Northern Rockfish	mt	N/A				
AI Northern Rockfish	mt	0.000				
Shorthead Rockfish	mt	N/A				
Rougheye Rockfish	mt	N/A				
BS Other Rockfish	mt	6.650				
AI Other Rockfish	mt	9.120				
Other Species	mt	408.000				
PSQ Reserve Category	0	0				
Zone 1 Red King Crab	ea	3398		-1600	1798	1600
Zone 1 Bairdi Tanner Crab	ea	19110		-12000	7110	12000
Zone 2 Bairdi Tanner Crab	ea	53460		-40000	13460	40000
Opilio Tanner Crab	ea	81563		-45000	36563	45000
Pacific Halibut (mortality)	mt	78.89		-40	38.890	40
Chinook Salmon	ea	305				
Non-Chinook Salmon	ea	441				
Halibut CDQ						
Halibut 4B	lbs	0		0		
Halibut 4C	lbs	0		0		
Halibut 4D	lbs	103200		0	103200	
Halibut 4E	lbs	0		0		
Crab CDQ						
Opilio	lbs	302954		-395	302559	395
NS Red King Crab	lbs			0	0	
BB Red King Crab	lbs			0	0	
St Matt	lbs					
Pribolof	lbs					

B. CDQ Fishing Activities

Pollock The vessels finish the Pollock “A” season at the end of March and went to Seattle for their annual maintenance. They headed north during June prepared to begin fishing in the “B” season. The Golden Alaska group fished Co-op Pollock until the end of June.

Pacific Cod: The remainder of the target CDQ “A” season quota was taken by two vessels that finished fishing by early May. Other species bycatch was higher overall than it has been in prior years.

Sablefish – The Lisa Marie pot fished CDQ and IFQ Sablefish during April and May in the Bering Sea. Another vessel pot fished toward the end of June in the AI area. The fishing has been much slower than in the previous couple of years.

Atka Mackerel/Flatfish – US Seafoods’ vessels were fishing their combined four CDQ allocations in the Yellowfin Sole, Rocksole and Atka Mackerel fisheries.

Halibut – no activity

Norton Sound Crab - The CDQ fishery started in June and the contracted vessels had harvested all but 225 lbs of quota by the 28th of June.

C. Compliance

There were no compliance issues of which we were aware during this quarter.

D. Other Fishing Issues/Activities

None